



General Assembly

Amendment

February Session, 2004

LCO No. 4898

SB0005604898HDO

Offered by:

REP. KEELEY, 129th Dist.

To: Subst. Senate Bill No. 56 File No. 428 Cal. No. 514
(As Amended by Senate Amendment Schedule "A")

"AN ACT CONCERNING MANDATORY OVERTIME IN HEALTH CARE FACILITIES."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 10a-186a of the general statutes is repealed and
4 the following is substituted in lieu thereof (*Effective from passage*):

5 (a) In connection with the issuance of bonds to finance a project at a
6 participating nursing home or to refund bonds previously issued by
7 the authority to finance a project at a participating nursing home, or in
8 connection with the issuance of bonds to effect a refinancing or other
9 restructuring with respect to one or more participating nursing homes
10 or assisted living facilities as permitted by subsection (b) of this
11 section, or to finance dormitories, residential facilities, student centers,
12 food service facilities and other auxiliary service facilities and related
13 buildings and improvements at a public institution of higher
14 education, the authority may create and establish one or more reserve

15 funds to be known as special capital reserve funds and may pay into
16 such special capital reserve funds (1) any moneys appropriated and
17 made available by the state for the purposes of such funds, (2) any
18 proceeds of sale of notes or bonds for a project, to the extent provided
19 in the resolution of the authority authorizing the issuance thereof, and
20 (3) any other moneys which may be made available to the authority for
21 the purpose of such funds from any other source or sources. The
22 moneys held in or credited to any special capital reserve fund
23 established under this section, except as hereinafter provided, shall be
24 used solely for the payment of the principal of and interest, when due,
25 whether at maturity or by mandatory sinking fund installments, on
26 bonds of the authority secured by such capital reserve fund as the
27 same become due, the purchase of such bonds of the authority, the
28 payment of any redemption premium required to be paid when such
29 bonds are redeemed prior to maturity, including in any such case by
30 way of reimbursement of a provider of bond insurance or of a credit or
31 liquidity facility that has paid such amounts; provided the authority
32 shall have power to provide that moneys in any such fund shall not be
33 withdrawn therefrom at any time in such amount as would reduce the
34 amount of such funds to less than the maximum amount of principal
35 and interest becoming due by reasons of maturity or a required
36 sinking fund installment in the then current or any succeeding
37 calendar year on the bonds of the authority then outstanding or the
38 maximum amount permitted to be deposited in such fund by the
39 Internal Revenue Code of 1986, or any subsequent corresponding
40 internal revenue code of the United States, as from time to time
41 amended, to permit the interest on said bonds to be excluded from
42 gross income for federal tax purposes and secured by such special
43 capital reserve fund, such amount being herein referred to as the
44 "required minimum capital reserve", except for the purpose of paying
45 such principal of, redemption premium and interest on such bonds of
46 the authority secured by such special capital reserve becoming due
47 and for the payment of which other moneys of the authority are not
48 available. The authority may provide that it shall not issue bonds
49 secured by a special capital reserve fund at any time if the required

50 minimum capital reserve on the bonds outstanding and the bonds then
51 to be issued and secured by the same special capital reserve fund at the
52 time of issuance, unless the authority, at the time of the issuance of
53 such bonds, shall deposit in such special capital reserve fund from the
54 proceeds of the bonds so to be issued, or otherwise, an amount which,
55 together with the amount then in such special capital reserve fund, will
56 be not less than the required minimum capital reserve. On or before
57 December first, annually, there is deemed to be appropriated from the
58 state General Fund such sums, if any, as shall be certified by the
59 chairman or vice-chairman of the authority to the Secretary of the
60 Office of Policy and Management and the Treasurer of the state, as
61 necessary to restore each such special capital reserve fund to the
62 amount equal to the required minimum capital reserve of such fund,
63 and such amounts shall be allotted and paid to the authority. For the
64 purpose of evaluation of any such special capital reserve fund,
65 obligations acquired as an investment for any such fund shall be
66 valued at market. Nothing contained in this section shall preclude the
67 authority from establishing and creating other debt service reserve
68 funds in connection with the issuance of bonds or notes of the
69 authority which are not special capital reserve funds. Subject to any
70 agreement or agreements with holders of outstanding notes and bonds
71 of the authority, any amount or amounts allotted and paid to the
72 authority pursuant to this section shall be repaid to the state from
73 moneys of the authority at such time as such moneys are not required
74 for any other of its corporate purposes and in any event shall be repaid
75 to the state on the date one year after all bonds and notes of the
76 authority theretofore issued on the date or dates such amount or
77 amounts are allotted and paid to the authority or thereafter issued,
78 together with interest on such bonds and notes, with interest on any
79 unpaid installments of interest and all costs and expenses in
80 connection with any action or proceeding by or on behalf of the
81 holders thereof, are fully met and discharged. No bonds secured by a
82 special capital reserve fund shall be issued to pay project costs unless
83 the authority is of the opinion and determines that the revenues from
84 the project shall be sufficient (A) to pay the principal of and interest on

85 the bonds issued to finance the project, (B) to establish, increase and
86 maintain any reserves deemed by the authority to be advisable to
87 secure the payment of the principal of and interest on such bonds, (C)
88 to pay the cost of maintaining the project in good repair and keeping it
89 properly insured and (D) to pay such other costs of the project as may
90 be required.

91 (b) Notwithstanding the provisions of subsection (a) of this section,
92 after June 4, 1998, no bonds secured by such a special capital reserve
93 fund shall be issued by the authority to finance a project at a
94 [qualified] participating nursing home or assisted living facility, or to
95 refund, refinance or otherwise restructure bonds issued to finance a
96 project at a [qualified] participating nursing home or assisted living
97 facility, except for [refunding] bonds that meet the following
98 requirements: (1) [The refunding] Such bonds, which may be bonds
99 issued on a pooled or obligated group basis with respect to more than
100 one participating nursing home or assisted living facility, must, at least
101 in part, refund, refinance or otherwise restructure bonds which are
102 already secured by a special capital reserve fund pursuant to this
103 section; (2) the state must be released from any obligation to restore
104 [the] any special capital reserve fund for the [refunded] bonds being
105 refunded, refinanced or otherwise restructured; and (3) the authority
106 and the State Treasurer and the Secretary of the Office of Policy and
107 Management must approve [the refunding] such bonds and must
108 determine that the aggregate [debt service on the refunding] liability of
109 the state with respect to such bonds will be less than the aggregate
110 [debt service on the refunded bonds and that the economic benefit
111 derived from the refunding will inure to the state. In the event of a
112 refunding undertaken in the context of a receivership, bankruptcy or
113 insolvency, any] liability of the state with respect to the bonds being
114 refunded, refinanced or otherwise restructured and that such
115 refunding, refinancing or restructuring is in the best interest of the
116 state. Any approval and determination by the authority, [and] the State
117 Treasurer and the secretary under subdivision (3) of this subsection
118 shall be in lieu of (A) the otherwise required opinion of sufficiency by

119 the authority set forth in subsection (a) of this section, and (B) the
120 approval of the State Treasurer and the documentation of the authority
121 otherwise required under subsection (a) of section 1-124, and may
122 provide for the waiver or modification of such other requirements of
123 subsection (a) of this section as the authority, the State Treasurer and
124 the secretary determine to be necessary or appropriate in order to
125 effectuate such refunding, refinancing or restructuring, subject to all
126 applicable tax covenants of the authority and the state. [Any other
127 refunding of outstanding bonds shall require such opinion, approval
128 and documentation.]"

This act shall take effect as follows:	
Section 1	<i>from passage</i>